



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

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May 15, 2013

OFFICE OF THE
REGIONAL ADMINISTRATOR

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NE, Room 1A
Washington, DC 20426

RE: Downeast LNG Supplemental Draft Environmental Impact Statement, Washington County, Maine (OPE/DG2E/Gas 1 Downeast LNG, Inc. Downeast Pipeline, LLC. Docket Nos. CP07-52-000, CP07-53-000, CP07-53-001 (CEQ # 20130082)

Dear Secretary Bose:

In accordance with our responsibilities under the National Environmental Policy Act (NEPA), and Section 309 of the Clean Air Act, we have reviewed the Supplemental Draft Environmental Impact Statement (SDEIS) for Downeast LNG, Inc.'s (Downeast) proposed Liquefied Natural Gas (LNG) terminal, pipeline and related facilities in Washington County, Maine.

The SDEIS provides additional detail and analysis related to reliability and safety issues for the project. The SDEIS was prepared in cooperation with the United States Department of Transportation and also includes conclusions regarding waterway suitability derived from input provided by the United States Coast Guard. We have no comments on the revised safety and reliability analysis provided in the SDEIS. We do, however, request that the FEIS provide a detailed discussion of project modifications that would be required (and associated potential impacts) should the proposed Downeast LNG import terminal be modified at any point in the future into an export facility. Changes in market conditions have resulted in similar project modifications at other facilities nationwide. Therefore we believe the FEIS would be more informative if it included a discussion of the environmental review process and permits/authorizations that would be associated with those types of modifications.

We have rated the SDEIS "LO-1" (Lack of Objections--Adequate) in accordance with EPA's national rating system, a description of which is enclosed. My staff is ready to continue to participate on the cooperating agency team to provide additional input, as necessary, to help

FERC develop the FEIS for the project. Please feel free to contact me or Timothy Timmermann of the Office of Environmental Review at 617/918-1025 if you wish to discuss these comments further.

Sincerely,



H. Curtis Spaulding
Regional Administrator

Enclosure

Summary of Rating Definitions and Follow-up Action

Environmental Impact of the Action

LO--Lack of Objections

The EPA review has not identified any potential environmental impacts requiring substantive changes to the proposal. The review may have disclosed opportunities for application of mitigation measures that could be accomplished with no more than minor changes to the proposal.

EC--Environmental Concerns

The EPA review has identified environmental impacts that should be avoided in order to fully protect the environment. Corrective measures may require changes to the preferred alternative or application of mitigation measures that can reduce the environmental impact. EPA would like to work with the lead agency to reduce these impacts.

EO--Environmental Objections

The EPA review has identified significant environmental impacts that should be avoided in order to provide adequate protection for the environment. Corrective measures may require substantial changes to the preferred alternative or consideration of some other project alternative (including the no action alternative or a new alternative). EPA intends to work with the lead agency to reduce these impacts.

EU--Environmentally Unsatisfactory

The EPA review has identified adverse environmental impacts that are of sufficient magnitude that they are unsatisfactory from the standpoint of public health or welfare or environmental quality. EPA intends to work with the lead agency to reduce these impacts. If the potentially unsatisfactory impacts are not corrected at the final EIS stage, this proposal will be recommended for referral to the CEQ.

Adequacy of the Impact Statement

Category 1--Adequate

EPA believes the draft EIS adequately sets forth the environmental impact(s) of the preferred alternative and those of the alternatives reasonably available to the project or action. No further analysis or data collection is necessary, but the reviewer may suggest the addition of clarifying language or information.

Category 2--Insufficient Information

The draft EIS does not contain sufficient information for EPA to fully assess environmental impacts that should be avoided in order to fully protect the environment, or the EPA reviewer has identified new reasonably available alternatives that are within the spectrum of alternatives analyzed in the draft EIS, which could reduce the environmental impacts of the action. The identified additional information, data, analyses, or discussion should be included in the final EIS.

Category 3--Inadequate

EPA does not believe that the draft EIS adequately assesses potentially significant environmental impacts of the action, or the EPA reviewer has identified new, reasonably available alternatives that are outside of the spectrum of alternatives analyzed in the draft EIS, which should be analyzed in order to reduce the potentially significant environmental impacts. EPA believes that the identified additional information, data, analyses, or discussions are of such a magnitude that they should have full public review at a draft stage. EPA does not believe that the draft EIS is adequate for the purposes of the NEPA and/or Section 309 review, and thus should be formally revised and made available for public comment in a supplemental or revised draft EIS. On the basis of the potential significant impacts involved, this proposal could be a candidate for referral to the CEQ.